

### 1 BEFORE THE ARIZONA CORPORATION COMMISSION 2 COMMISSIONERS ROBERT BURNS, CHAIRMAN 3 **BOYD DUNN** 4 SANDRA D. KENNEDY JUSTIN OLSON 5 LEA MARQUEZ PETERSON 6 IN THE MATTER OF THE APPLICATION DOCKET NO. E-01345A-19-0236 OF ARIZONA PUBLIC SERVICE NOTICE OF FILING SURREBUTTAL COMPANY FOR A HEARING TO 8 TESTIMONY AND EXHIBITS OF DETERMINE THE FAIR VALUE OF THE GREG BASS ON BEHALF OF CALPINE UTILITY PROPERTY OF THE COMPANY **ENERGY SOLUTIONS, LLC, AND** FOR RATEMAKING PURPOSES, TO FIX 10 DIRECT ENERGY BUSINESS, LLC. A JUST AND REASONABLE RATE OF 11 RETURN THEREON, TO APPROVE RATE SCHEDULES DESIGNED TO 12 DEVELOP SUCH RETURN. 13 Calpine Energy Solutions, LLC and Direct Energy Business, LLC hereby submit the 14 Surrebuttal Testimony and Exhibits of Greg Bass on behalf of Calpine Energy Solutions, LLC 15 16 and Direct Energy Business, LLC in the above-captioned docket. 17 RESPECTFULLY SUBMITTED this 4th day of December, 2020. 18 /s/ Gregory M. Adams 19 Gregory M. Adams (Pro Hac Vice) Richardson Adams, PLLC 20 515 N. 27th Street Boise, Idaho 83702 21 Telephone: 208-938-2236 22 Email: greg@richardsonadams.com 23 Jason Mullis (ASB # 024289) Wood Smith Benning & Berman LLP 24 2525 E Camelback Rd Ste 450 25 Phoenix, Arizona, 85016-4210 Telephone: 602-441-1314 26 Email: JMullis@wshblaw.com Attorneys for Calpine Energy

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#### 1 CERTIFICATE OF SERVICE 2 I HEREBY CERTIFY that on December 4, 2020, I electronically filed and caused to be hand delivered eight copies of the Surrebuttal Testimony and Exhibits of Greg Bass on behalf of 3 Calpine Energy Solutions, LLC and Direct Energy Business, LLC with the Arizona Corporation 4 Commission in Docket No. E-01345A-19-0236 and served copies to the following parties via electronic mail: 5 Adam Stafford Garry Hays Western Resource Advocates Law Office of Garry Hays PC 2198 E Camelback Rd P.O. Box 30497 Phoenix AZ 85046 Suite 230 8 stacy@westernresources.org Phoenix AZ 85016 steve.michel@westernresources.org Ghays@lawgdh.com autumn.johnson@westernresources.org 10 adam.stafford@westernresources.org Giancarlo Estrada KAMPER ESTRADA, LLP 11 Armando Nava 3030 N. 3rd Street, Suite 770 The Nava Law Firm PLLC Phoenix AZ 85012 12 1641 E Osborn Rd, Ste 8 gestrada@lawphx.com 13 Phoenix AZ 85016 Filings@navalawaz.com Greg Patterson 14 Munger Chadwick/Competitive Power Alliance 5511 S. Jolly Roger Court Rich 15 Tempe AZ 85283 Rose Law Group pc Greg@azcpa.org 16 7144 E Stetson Drive, Suite 300 Scottsdale AZ 85251 17 Holly L. Buchanan CRich@RoseLawGroup.com 139 Barnes Dr., Suite 1 18 Tyndall AFB FL 32403 Daniel Pozefsky 19 **RUCO** Holly.buchanan.1@us.af.mil 1110 West Washington, Suite 220 20 Phoenix AZ 85007 Jason Y. Moyes Moyes Sellers & Hendricks ifuentes@azruco.gov 21 procedural@azruco.gov 1850 N. Central Ave., Ste. 1100 Phoenix AZ 85004 22 rdelafuente@azruco.gov jim@harcuvar.com dpozefsky@azruco.gov 23 jasonmoyes@law-msh.com jjw@krsaline.com David Bender 24 EARTHJUSTICE John B. Coffman 25 1001 G Street, NW, Suite 1000 JOHN B. COFFMAN LLC Washington DC 20001 26

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1	FURTHER, I hereby certify that I served copies to the following parties via first-class mail:
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2	BEFORE THE ARIZONA CORPORATION COMMISSION
3	COMMISSIONERS ROBERT BURNS, Chairman
4	BOYD DUNN SANDRA D. KENNEDY
5	JUSTIN OLSON LEA MARQUEZ PETERSON
6	IN THE MATTER OF THE APPLICATION DOCKET NO. E-01345A-19-0236
7	OF ARIZONA PUBLIC SERVICE COMPANY FOR A HEARING TO
8	DETERMINE THE FAIR VALUE OF THE UTILITY PROPERTY OF THE COMPANY
9	FOR RATEMAKING PURPOSES, TO FIX
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12	SURREBUTTAL TESTIMONY AND EXHIBITS OF
13	GREG BASS
14	ON BEHALF OF
15	CALPINE ENERGY SOLUTIONS, LLC,
16	AND
17	DIRECT ENERGY BUSINESS, LLC
18	DINECT ENERGY DOSINESS, LEC
19	December 4, 2020
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### **Surrebuttal Testimony of Greg Bass** Docket No. E-01345A-19-0236 TABLE OF CONTENTS I. II. APS'S "VIRTUAL DIRECT ACCESS" PROPOSAL IS NOT A WHOLESALE BUY-THROUGH PROPOSAL AND THEREFORE FAILS AT FULFILLING III. CALPINE SOLUTIONS' AND DIRECT ENERGY'S PROPOSED AG-Y IV. **EXHIBITS** GB-2......APS DATA RESPONSES

### Surrebuttal Design Testimony of Greg Bass Docket No. E-01345A-19-0236

### I. INTRODUCTION AND SUMMARY

- Q. Please state your name and business address.
- A. My name is Greg Bass. My business address is 401 West A Street, Suite 500, San Diego, California 92101.
- Q. Are you the same Greg Bass who previously submitted direct testimony on behalf of Calpine Energy Solutions, LLC ("Calpine Solutions") and Direct Energy Business LLC ("Direct Energy")?
- 10 | A. Yes.

A.

- Q. Please summarize your surrebuttal testimony in this proceeding.
  - My direct testimony addressed Arizona Public Service Company's ("APS") response to the Arizona Corporation Commission's ("ACC" or "Commission") directive in its Policy Statement Regarding AG-Y Alternative Generation Buy-Through Program, Decision No. 77043 (hereafter the "Wholesale Buy-Through Policy Statement"). I testified that APS's proposal is inconsistent with the spirit and intent of the ACC's Wholesale Buy-Through Policy Statement. Further, I testified that instead of approving APS's AG-Y proposal, Calpine Solutions and Direct Energy propose that the ACC require APS to expand the already proven and popular AG-X program by 200 MW with a modification to make the new AG-Y program available to smaller customers than those allowed to participate in AG-X.

In rebuttal testimony, APS's witnesses criticize my proposed expansion of the successful wholesale buy-through program, largely based on an allegation that AG-X customers do not sufficiently provide or pay for resource adequacy. In my surrebuttal testimony, I reiterate my position that the Commission should expand the AG-X program by 200 MW through the new AG-Y program. I will highlight important facts that APS overlooks in making its critique of the AG-X model, most notably that deliveries of firm power under Western System Power Pool ("WSPP") Schedule C are very infrequently curtailed, and when such curtailments occur, APS receives substantial liquidated damages payments in addition to the AG-X program's Capacity Reserve Charge.

Additionally, my direct testimony responded to Commissioner Justin Olson's request, through his letter dated September 10, 2020, that parties develop a record on whether the Commission should open up APS's service territory to competition. APS did not respond on the merits of this subject and instead argued it is beyond the scope of the proceeding. Therefore, there are no substantive points to which I can respond with respect to expanding retail choice opportunities beyond the proposed expansion of the wholesale buy-through program.

- II. APS'S "VIRTUAL DIRECT ACCESS" PROPOSAL IS NOT A WHOLESALE

  BUY-THROUGH PROPOSAL AND THEREFORE FAILS AT FULFILLING THE

  COMMISSION'S POLICY DIRECTIVE
- Q. In your direct testimony, you testified that APS's proposed AG-Y program is not a wholesale buy-through program but is instead a "Virtual Direct Access" program under which the customer is not purchasing electricity from the market through

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APS or any other entity. Has APS contested your assertion that its program is not a wholesale buy-through program?

No. As I previously testified, APS's AG-Y proposal would not be a buy-through program because it would have no "buy-through" component, or any meaningful element of customer choice. It is not therefore consistent with the Commission's directive in the Wholesale Buy-Through Policy Statement that APS must expand wholesale buy-through options, and it is very unlikely to be used by many (or any) customers. In response, APS witness Leland Snook does not explain how APS's proposal is a wholesale buy-through program.

Instead, Mr. Snook asserts that APS's AG-Y proposal is consistent with the Commission's directive in Wholesale Buy-Through Policy Statement because APS's proposal will not shift costs to non-participating customers. However, Mr. Snook's conclusion regarding cost shifts does not convert APS's AG-Y proposal into a wholesale buy-through program. A buy-through program requires more than the avoidance of costs shifts and abiding by only one aspect of the Commission's directive should not be considered compliance with the Commission's Policy Statement. In effect, APS argues that the Commission made a mistake in adopting its Wholesale Buy-Through Policy Statement and the Commission should now reverse itself and conclude that it is not possible to meaningfully expand wholesale buy-through options for APS's customers. However, parties have already developed, and the Commission approved, a very successful buy-through program that meets all aspects of the Commission's directive:

AG-X. There is no reason that the Commission should accept an incomplete, unresponsive proposal for AG-Y when a comprehensive framework exists in AG-X. Given APS's refusal to meaningfully consider an expansion of the AG-X model, the Commission should not accept APS's position.

- Q. Mr. Snook also testifies that APS's AG-Y program will comply with the

  Commission's Wholesale Buy-Through Policy Statement because it provides

  medium and large commercial customer increased flexibility to manage their

  electricity costs while insulating other customers from cost shifts.<sup>2</sup> How do you
  respond?
- A. I disagree that APS's AG-Y proposal would provide customers with a meaningful opportunity to manage their electricity costs for the reasons expressed in my direct testimony. As I explained, APS's AG-Y proposal would deprive customers of the ability to acquire long-term supply, supply with lower carbon emissions or higher renewable content for example, or other market-based price or product options available in a wholesale buy-through program. Furthermore, very few customers are likely to enter into the variable electricity pricing arrangement required by APS's AG-Y proposal because of the exposure to hourly index prices with little or no ability to hedge price volatility. Mr. Snook fails to rebut any of these points in the rebuttal testimony.
- Q. Have any potential customers expressed concern with APS's AG-Y proposal?
- A. Yes, as Mr. Snook acknowledges, the potential participants in the AG-Y program have generally opposed APS's AG-Y proposal and instead have proposed to expand the

<sup>&</sup>lt;sup>2</sup> Leland Snook Rebuttal Test. at 19:3-8.

existing AG-X model.<sup>3</sup> Both Arizonans for Electric Choice and Competition's ("AECC") witness, Kevin Higgins, and Walmart's witness, Steve W. Chriss, testify that APS's AG-Y proposal is not attractive from the customer perspective, and both recommend that the Commission instead require an expansion of the existing AG-X model.<sup>4</sup>

I continue to conclude that APS's AG-Y proposal is not responsive to the Commission's Wholesale Buy-Through Policy Statement. In sum, APS has not adequately responded to the Commission's directive that APS meaningfully engage with stakeholders to develop an additional wholesale buy-through opportunity.

- Q. Commissioner Lea Márquez Peterson submitted a letter on November 17, 2020, wherein she asked parties to address certain issues in this case. Do you have any response to Commissioner Márquez Peterson's request?
- A. Yes. I believe that APS's AG-Y proposal is inconsistent with the objectives outlined by Commissioner Márquez Peterson.

Commissioner Márquez Peterson states the goal of keeping APS's rates and rate design offerings competitive with states that have restructured their electricity markets, such as Texas and Virginia, with whom Arizonans "compete with for attracting jobs and economic opportunities." The letter also outlines the following specific objectives for proposals in this case:

<sup>3</sup> Leland Snook Rebuttal Test, at 19:11-17.

Kevin C. Higgins, Direct Test. at 34-35; Steve W. Chriss, Direct Test. at 11-14.

Commissioner Lea Márquez Peterson's Letter, at p. 1 (Nov. 17, 2020)

Reducing costs to consumers by focusing on customer growth, improving
customer retention, and attracting new businesses to APS's service territory,
including rate designs and amounts that help to attract new customers and spur
economic development,

Reducing costs to consumers by exploring new and innovative rate designs, such
as value-based pricing, critical peak pricing, risk-sharing, market-based pricing,
and other rate options.<sup>6</sup>

As the Commission's Wholesale Buy-Through Policy Statement explains, the existing AG-X model, upon which I propose the AG-Y program should be based, accomplishes these objectives. The AG-X model empowers the customer to obtain the market-based product that meets its unique needs, and expanding that wholesale buy-through opportunity to additional customers should strengthen Arizona's ability to attract and retain important businesses and spur economic development.

In contrast, as I explained in my direct testimony, APS's AG-Y proposal lacks the flexibility and advantages of a true wholesale buy-through program, like the AG-X program. APS proposes that eligible AG-Y customers would have no opportunity to negotiate with generation service providers ("GSPs") to provide electricity that would meet a customer's load shape, preference for resource generation type, or any other factors that would be the hallmark of real customer choice. In addition, APS's proposal does not offer medium and large commercial customers the opportunity to explore other

Commissioner Lea Márquez Peterson's Letter, at p. 2 (Nov. 17, 2020). Greg Bass, Direct Test. at 15:7-22.

Leland Snook Rebuttal Test. at 19:18 to 20:4.

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through priority to deliver power at the Palo Verde market hub."<sup>11</sup> However, Mr. Snook offers no alternative proposal for the additional AG-X/AG-Y charges or other changes to the program that he asserts would be necessary.

Mr. Snook testifies that AG-X customers and GSPs "do not provide all of the generation service needed to serve the customer[,]" but this assertion overlooks that the AG-X program design still requires the AG-X customers to pay APS substantial charges for generation services. If the GSPs were expected to provide all of the generation services needed to serve a customer, APS could not impose charges for reserved capacity and imbalance energy. Specifically, the AG-X customers continue to pay APS a monthly capacity reserve charge of \$5.5398/kW demand, as well as generation ancillary services imbedded in their rates, and the AG-X imbalance service charges. Although Mr. Snook criticizes these charges as being insufficient, he makes no effort to propose any change in those charges that would satisfy APS. Instead, he asserts that wholesale buy-through customers "should continue to pay the full unbundled generation capacity charge in their retail rate." In effect, Mr. Snook asserts that the GSPs' supply, which is typically provided through the WSPP Schedule C firm energy contracts, provides APS with no capacity value and thus no resource adequacy value, which is not a credible position, as I will explain below.

Q. Mr. Snook faults you for characterizing the WSPP Schedule C contracts as "firm power." How do you respond?

Leland Snook Rebuttal Test. at 19:18 to 20:4.

Leland Snook Rebuttal Test, at 21:1-2.

A.

My direct testimony states that the AG-X tariff requires GSPs to provide "firm power," which is the same term used in APS's AG-X tariff. Specifically, the AG-X tariff states: "The Generation Service Provider must provide to the Company on behalf of the Customer firm power sufficient to meet the Customer's Total Load Requirements for each of the specified metered accounts, and will attest in its contract with the Company that this condition is met. For the purposes of this rate schedule, "firm power" refers to generation resources identified in Western System Power Pool

Therefore, consistent with APS's own tariff, I continue to maintain that the WSPP

Schedule C contract provides firm power. APS's assertion that the form of contract that

its own tariff accepts as firm power is not really firm power at all is nonsensical.

Additionally, Mr. Snook objects to the use of WSPP Schedule C contract, but then fails to provide any specific alternatives to it.

Schedule C or a reasonable equivalent as determined by the Company. 14

- Q. Mr. Snook asserts that the WSPP Schedule C deliveries by GSPs do not provide "firm capacity" because it is "essentially an energy contract, which can be cut during critical hours and does not provide any of the power plant capacity attributes or resource adequacy requirements for ensuring a reliable supply of power to the customer." How do you respond?
- A. First, as noted above, the construct of the AG-X program is such that the customer continues to pay a substantial capacity reserve charge, which as Mr. Snook himself

Greg Bass, Direct Test, at 17:9-16.

AG-X Tariff at pp. 2-3 (emphasis added).

Leland Snook, Rebuttal Test. at 21:9-12.

acknowledges, is intended in part to compensate APS for remaining capacity needed to serve the AG-X customer in the event that the GSP's delivery is insufficient. <sup>16</sup> I have proposed that the full AG-X capacity reserve charge would apply in the expanded AG-Y program. Kevin Higgins, on behalf of AECC has proposed reducing the capacity reserve charge by 50% for existing AG-X customers who have already made substantial charges for legacy generation through the charge, but Mr. Higgins also proposes to use the full AG-X capacity demand charge for a new AG-Y program that is based on the existing AG-X program. I will defer to Mr. Higgins on the proper approximation of the appropriate level of these charges because that is a matter beyond my area of expertise. However, given that there is a substantial capacity reserve charge, I disagree with the overall premise of Mr. Snook's assertion that there is necessarily a cost shift to APS costof-service customers in the circumstance where a GSP's power delivery under WSPP Schedule C is curtailed. Mr. Snook has not explained or attempted to quantify why the level of payment under the capacity reserve charge, along with the imbalance charges that APS may assess, is insufficient to compensate APS for the costs of any capacity it resupplies in such circumstances. APS should be working with stakeholders to modify buy-through programs to assure capacity charges are appropriate for maintaining reliability if they feel that issues remain instead of creating an entirely new program that ignores Commission directives, maintains their monopoly status, and is disliked by customers.

Q. Do you have any other responses to Mr. Snook's criticism of the WSPP Schedule C

Leland Snook, Rebuttal Test. at 23:5-7 & 23:17-21.

A. Yes. I have three additional points in response.

First, although APS witness Brad J. Albert suggests the WSPP Schedule C is unreliable because it is not tied to a specific resource, <sup>17</sup> this aspect of the contract can make it more reliable than a single resource. If the supplier under the WSPP Schedule C does not supply power as required, it is subject to liquidated damages, and therefore the contracting party has a substantial economic incentive to avoid such curtailment or non-delivery events. Additionally, because the WSPP Schedule C contract is not tied to a single resource, it is not necessarily subject to curtailment or non-delivery during a forced outage at a specific resource, in other words it is not unit contingent. Instead, the supplier has the financial incentive to find a replacement generation resource and avoid incurring liquidated damages.

Second, although Mr. Snook and Mr. Albert point to the recent curtailment events that occurred for WSPP Schedule C contracts supplied from the California Independent System Operator ("CAISO") this past summer, this was an extreme and rare event of the type that had not been experienced in many years. Contrary to the suggestion of APS's testimony, Calpine Solutions' supply to the AG-X customers over the years has been very rarely curtailed for any reason. The following table demonstrates the percentage of hours of curtailment of Calpine Solutions' energy scheduled to APS for AG-X customers:

Brad J. Albert, Rebuttal Testimony at 28:17-24.

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Year	MWhs Curtailed	Annual Curtailment Rate
2017	98	0.15%
2018	61	0.06%
2019	44	0.05%
2020	497	0.69%

As can be seen, the curtailment rate is exceptionally low, and in each of the past four years well over 99% of the scheduled energy under the WSPP Schedule C contracts was delivered to APS. I therefore disagree with Mr. Snook's assertion that this supply of power provides no capacity value.

Third, even when these rare curtailment events occur, the WSPP Schedule C contract requires a payment to APS of substantial liquidated damages payments for the undelivered power. For example, during the curtailments identified by APS on August 18, 2020, APS has reached agreement to be compensated roughly \$1,565 to \$1,573 per MWh curtailed from the scheduled supply of GSPs. 18

In sum, therefore, the supply of WSPP Schedule C has been a reliable supply for the AG-X program, and even in the rare event when a curtailment occurs, APS receives substantial compensation as liquidated damages, which is on top of the AG-X customers' payment of a substantial capacity reserve charge.

- Q. Do you have any other comments in response to APS's discussion of the curtailments that occurred on August 18, 2020?
- A. Yes. The curtailments of WSPP Schedule C contracts in August of 2020 from the

APS's Response to Calpine Solutions' Data Request No. 6.1 & Attachment, included in Exhibit GB-2.

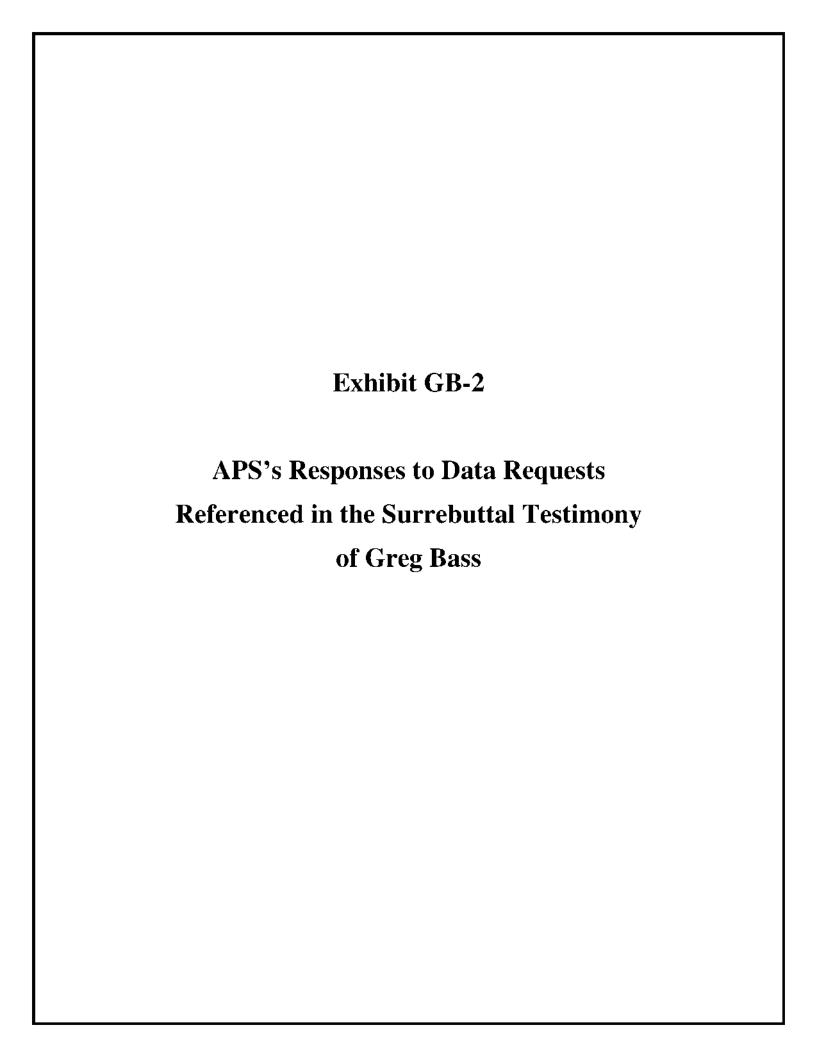
CAISO balancing authority were not unique to GSP schedules. APS also had its import schedules cut for supply that it had scheduled from the CAISO. 19 Additionally, as Mr. Albert notes, APS was able to plan for the contingency that occurred and to re-supply energy to serve load within its balancing authority during this event, and no customers lost service. I do not dispute that APS, as the balancing authority for the AG-X loads, provided backstop generation capacity during these rare events, but in this instance the program worked as designed and no customers lost service. APS has made no showing that the costs it incurred to supply this backstop capacity service as the balancing authority are not recovered through the charges to AG-X customers, GSPs, and payments made as liquidated damages under the WSPP Schedule C contracts.

#### IV. CONCLUSION

- Does that conclude your surrebuttal testimony? Q.
- A. Yes.

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Brad J. Albert, Rebuttal Testimony at 29:27 to 30:7. See also APS's Response to Calpine Solutions' Data Request No. 6.1 & Attachment, included in Exhibit GB-2.



# CALPINE ENERGY SOLUTION'S SIXTH SET OF DATA REQUESTS TO ARIZONA PUBLIC SERVICE COMPANY REGARDING THE APPLICATION TO APPROVE RATE SCHEDULES DESIGNED TO DEVELOP A JUST AND REASONABLE RATE OF RETURN DOCKET NO. E-01345A-19-0236 SEPTEMBER 21, 2020

- Calpine 6.1: Refer to APS's response to Calpine Solutions' Data Request No. 5.1(a), stating with respect to curtailed imports from AG-X suppliers and certain irrigation suppliers, the "imports were supplied from short-term market purchases which were not backed by firm supplies from a designated power plant, a capacity contract, or reserves."
  - a. Confirm that the referenced imports from AG-X suppliers were consistent with the requirements of the AG-X tariff, which requires use of "generation resources identified in Western System Power Pool Schedule C or a reasonable equivalent as determined by the Company." If not confirmed, explain the nature of the supply contracts.
  - b. For the referenced imports from AG-X suppliers, confirm that APS is the party to whom liquated damages under WSPP Schedule C supply agreement are paid in the event of nondelivery. If not confirmed, please explain to whom liquidated damages are paid and under which circumstances.
  - c. For the referenced imports from AG-X suppliers, provide the following data in addition to that supplied in the excel sheet supplied in response to Calpine Solutions' Data Request No. 5.1:

Amount Curtailed (8-18-2020)	HE16	HE17	HE18	HE19	HE20
1.AG-X Suppliers	38	63	63	94	68
2. Amount (MWhs) for which APS has been paid liquidated damages					
3. Amount (\$) paid to APS as liquidated damages					
4. Amount (\$) APS claims to be owed to it as liquated damages but has not yet been recovered					
5. Amount (\$) APS and the counter party have agreed will be paid as liquated damages but has not yet been recovered					

d. With respect to any difference in the MWhs amounts in subpart rows 1. and 2. in the above table., i.e., non-deliveries for which APS has not yet been paid liquidated damages, explain whether APS has requested such payment and why such payment has not been made at this time.

Witness: Leland Snook Page 1 of 2

# CALPINE ENERGY SOLUTION'S SIXTH SET OF DATA REQUESTS TO ARIZONA PUBLIC SERVICE COMPANY REGARDING THE APPLICATION TO APPROVE RATE SCHEDULES DESIGNED TO DEVELOP A JUST AND REASONABLE RATE OF RETURN DOCKET NO. E-01345A-19-0236 SEPTEMBER 21, 2020

## Calpine 6.1 (continued):

e. Explain how the revenue for liquidated damages in subpart c. is, or will be, booked by APS, and explain any different treatment from revenue collected under the AG-X for the monthly reserve capacity charge of \$5.5398 per kW.

### Response:

- a. Confirmed. The referenced AG-X power supply that was curtailed was originally sourced from the CAISO energy market. The Generation Service Providers resold the power to APS as a Western System Power Pool Schedule C product to fulfill obligations of the AG-X program.
- b. Confirmed.
- Please see attachment ExcelAPS19RC02106 for the requested information.
- d. APS has agreed to payment amounts with counterparties, but payment has not been received because the settlement process has not yet been completed.
- e. The liquidated damages payments are cost offsets, not revenue. They are included in the PSA adjustor rate as wholesale power transactions. Any such payments to APS would lower the PSA revenue requirement on a dollar-for-dollar basis. The AG-X monthly reserve capacity charge payments are included in retail revenue, similar to the generation capacity charges in other retail rates.

Witness: Leland Snook

### Arizona Public Service Company Energy Supply Curtailed by CAISO August 18, 2020

in megawatts; HE = Hour Ending

Amount Curtailed (8-18-2020)		HE16	HE17	HE18	HE19	HE20
1. AG-X Suppliers		38	63	63	94	68
2. Amount (MWhs) for which APS has been paid						
liquidated damages		0	0	0	0	0
3. Amount (\$) paid to APS as liquidated damages	\$	( <del>**</del> )	\$ 9 <del>8</del> 9	\$ 8.9	\$ 9 8 8 <del>9</del> 1	\$ 38
4. Amount (\$) APS claims to be owed to it as liquidated damages but has not yet been recovered	\$	(#)	\$ 8 <b>4</b> 8	\$ Œ	\$ 0000	\$ 3 <b>H</b> 3
5. Amount (\$) APS and the counter party have agreed will be paid as liquidated damages but has not yet been recovered	\$	59,473.50	\$ 98,043.00	\$ 98,043.00	\$ 147,138.01	\$ 106,984.80

### Arizona Public Service Company Energy Supply Curtailed by CAISO August 18, 2020

in megawatts; HE = Hour Ending

Amount Curtaile	d
(8-18-2020)	

- 1. APS Day-Ahead purchases for retail customers
- 2. Amount (MWhs) for which APS has been paid liquidated damages
- 3. Amount (\$) paid to APS as liquidated damages
- 4. Amount (\$) APS claims to be owed to it as liquidated damages but has not yet been recovered
- 5. Amount (\$) APS and the counter party have agreed will be paid as liquidated damages but has not yet been recovered

HE16	HE17	HE18	HE19		HE20
25	32	53	87		100
0	0	0	0		0
\$ ( <del>+</del> ))	\$ 9 <del>8</del> %	\$ 888	\$ 35 <del>0</del> 2	\$	> <del>=</del> 9
\$ ( <b>P</b> )	\$ 3 <b>4</b> 8	\$ (4)	\$ 0000	\$	3#
\$ 43.243.32	\$ 55.351.45	\$ 91.675.84	\$ 150.486.75	\$ 1	172.973.28